CITY OF LAS VEGAS

DEBT MANAGEMENT POLICY
AS OF JUNE 30, 2006

CITY OF LAS VEGAS
DEBT MANAGEMENT POLICY
June 30, 2006

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Mark R. Vincent, Finance Director

Candace L. Falder, Deputy Finance Director

EXECUTIVE SUMMARY

The Citizens' Priority Advisory Committee (CPAC) approved this format of the City of Las Vegas Debt Management Policy in FY 2001. State statutes require the City to annually update and submit the Debt Management Policy to the City Clerk, the Clerk of the Debt Management Commission and the State Department of Taxation.

The Debt Management Policy (the "Policy") is comprised of ***Debt Capacity Analysis*** and ***Debt Issuance Policy***. The Policy serves as a guide for determining the City's use of debt financing as a funding alternative for capital projects and establishes guidelines for the issuance of debt.

Debt Capacity Analysis - The Debt Capacity Analysis reviews the City's existing and proposed indebtedness to assess the City's ability to repay the existing and proposed indebtedness. To secure an accurate picture of the full debt for which City taxpayers are responsible, the City utilizes a Net Tax Supported Debt calculation. This calculation includes three debt capacity measurements (Gross Direct Debt, Net Direct Debt and Overall Net Debt), which are defined in the section entitled "Definition of Net Tax Supported Debt." The overall net debt within the City (which represents a total measurement of debt burden on the tax base) is $321,429,558. A strong debt capacity position allows the City to maintain debt obligations with the highest credit quality.

***Debt Issuance Policy* -** The Debt Issuance Policy establishes guidelines for the issuance of debt. The Department of Finance is the initial coordinator of all bond issue requests. The Debt Issuance Policy identifies the types of financings allowed, optimal terms and permitted use of financing methods. The Debt Issuance Policy is a useful tool for the effective coordination of City debt financing.

Debt Limitations - State statutes limit the volume of indebtedness allowed and the City has consistently complied with all statutory debt limitations. The City's unused statutory debt capacity is $4,070,533,350 or approximately 93% of total statutory debt capacity. A discussion of legal debt limitations is included in the section entitled "Statutory Debt Capacity."

Credit Rating - Credit ratings indicate to potential buyers whether a governmental entity is considered a good credit risk. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market. Moody's Investors Service, Standard & Poor's and Fitch are three of the principal rating agencies for municipal debt. The City's General Obligation bond ratings are Aa3, by Moody's Investors Service, AA, by Standard & Poor's, and AA, by Fitch Ratings.

Amended SEC Rule 15c2-12 - The City revised the Policy to comply with Amended SEC Rule 15c2-12 (the "Rule") by providing secondary market disclosure for all long-term debt obligations that are subject to the Rule. The City supplies annual financial information to all nationally recognized municipal securities repositories pursuant to the Rule. A description of the City's policy for compliance is included in the Debt Issuance Policy.

The City will continue to be proactive in planning for the capital improvement and infrastructure needs of its dynamic community. Conformance with the guidelines summarized herein will ensure the City's ability to retain its positive long-term debt rate, thereby providing public services that meet the demanding needs of an expanding population base.

Summary of Financial Events
FY 06

On 7/1/05 the City refunded the $15,000,000.00, 1998B GO, Redevelopment Bonds and partially refunded the $10,000,000.00, 1999 Parking Bonds. The new issue of $21,295,000.00, Various Purpose Refunding 05B was used to refund 2010-2019 maturities reducing the City's debt service payments by $1.6 million through 6/1/199.

On 3/15/06 the City partially refunded the $55,000,000.00, 2001 Sewer and Flood Control Bonds. The new issue of $31,920,000.00, Sewer Refunding 2006A, was used to refund 2012-2021 maturities reducing the City's debt service payments $1.9 million through 4/1/21.

On 5/31/06 the City issued taxable bonds for $18,000,000.00 for the Big League of Dreams Projects, Various Purpose 2006A. The City also combined a refunding with a new money tax-exempt issue. The new bond issue of $50,745,000.00, Various Purpose 2006B includes $29,000,000.00 for Hualapai/Alexander Park and $21,745,000.00 for a partial refunding of the $25,000,000.00, 2002 Parking Bonds. The defeased bonds will mature in 2013-2032 resulting in a $4.5 million saving in debt service payments through 5/1/36.

In summary, the City's net change in debt resulted in an increase of $17,133,282.00 during FY 06. The change was a result of issuing $47,000,000.00 in new debt for recreation projects, $74,970,000.00 in refunding bonds and $818,000.00 for a special improvement district bond. The City made debt service principal payments in the amount of $31,779,718.00 and refunded $73,865,000.00 in bonds.

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DEBT CAPACITY ANALYSIS

General Policy Statement

The purpose of the City Debt Capacity Analysis is to manage the volume of City debt obligations and maintain the City's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment that are beneficial to the City and necessary for essential services.

Analysis of the City's debt position is important, as growth in the City has resulted in an increased need for capital financing. The Debt Capacity Analysis is premised on the idea that resources, as well as needs, should drive the City's debt issuance program. Proposed long-term financings are linked with the economic**,** demographic and financial resources expected to be available to pay for that debt. The primary emphasis of the analysis is the impact of the City's projected capital financing requirements on the credit quality of its debt obligations. The City strives to ensure that, as it issues further debt, its credit quality and market access will not be impaired. However, overemphasis on debt ratios is avoided because they are but one of many factors which influence bond ratings. Long-term financing is used only after considering alternative funding sources, such as project revenues, Federal and State grants and special assessments.

Debt Capacity Guidelines

- The City's Direct Net Tax-Supported Debt shall be maintained at a level considered manageable by the rating agencies based upon current economic conditions including, among others, population, per capita income and assessed valuation.
- The Department of Finance shall structure all long-term debt with prepayment options except when alternative structures are more advantageous to the City. The City will consider prepaying or defeasing portions of outstanding debt when available resources are identified.
- For bonds repaid solely with property taxes, the Department of Finance will strive for a debt service fund balance in an amount not less than the succeeding year's principal and interest requirements. The reserve fund requirements for other bond issues will be set forth in their respective bond covenants.
- The City will install a mechanism whereby as Consolidated Tax backed debt service reaches 90% of the state mandated threshold of 15% of Consolidated Taxes, additional reviews and restrictions are instituted.
- Before approval is obtained for any new debt issuance, an amended Capital Improvement Plan must be created and approved.
- The Department of Finance shall update the City's Debt Capacity Analysis annually.

DIRECT NET DEBT

As of June 30, 2006

DIRECT NET TAX SUPPORTED DEBT	Issue Date	Original Amount	Outstanding Amount	Retirement Date
Ad Valorem Tax / Debt Rate[1]:				
Fire Refunding Bonds (override)	02/06/2002	$4,410,000	$1,860,000	03/01/2008
Ad Valorem Tax / Operating Rate[2]:				
Public Safety Medium Term Bonds (tax override)	04/01/2001	22,500,000	14,150,000	10/01/2011
		Subtotal:	14,150,000	
General Fund / Full Faith & Credit:				
Park/Recreation Bonds	01/01/2004	20,000,000	16,565,000	01/01/2014
Park/Recreation Bonds	10/01/2004	20,000,000	18,215,000	10/01/2014
Recreation Bonds	02/01/1997	10,500,000	1,300,000	02/01/2007
Building Medium Term Bonds	11/01/2000	8,000,000	4,615,000	08/01/2010
Parking Garage Medium Term Bonds	06/01/2000	7,500,000	3,635,000	06/01/2010
Medium Term Housing Note	11/26/2003	2,000,000	770,358	10/01/2007
		Subtotal:	45,100,358	
General Fund / Consolidated Tax / Ad Valorem[3]:				
Various Purpose 2006A	05/31/2006	18,000,000	18,000,000	06/30/2024
Various Purpose 2006B	05/31/2006	50,745,000	50,745,000	06.30/2036
Park Medium Term Bonds	08/15/1999	25,000,000	14,635,000	08/01/2009
Various Purpose Medium Term Bonds - B	11/15/1997	10,000,000	2,375,000	11/01/2007
City Hall Expansion (Parking Bonds) Balance	12/01/2002	25,000,000	3,660,000	12/01/2012
		Subtotal:	89,415,000	
Room Tax / Ad Valorem[3]:				
Fremont Street Refunding Bonds	12/06/2003	12,535,000	10,685,000	07/01/2015
Transportation Improvement Refunding Bonds	12/04/2002	5,100,000	3,490,000	07/01/2009
		Subtotal:	14,175,000.	
Enterprise Fund / Consolidated Tax / Ad Valorem[3]:				
Redevelopment Project Bonds Series A	11/01/1998	17,000,000	9,815,000	05/01/2012
Parking Bonds Balance	10/01/1999	10,000,000	1,425,000	06/01/2009
Various Purpose Refunding 2005B	07/01/2005	21,295,000	21,295,000	06/01/2019
			32,535,000	
Enterprise Fund / Ad Valorem[3]:				
Sewer Refunding Bonds	01/01/1997	35,680,000	27,905,000	10/01/2012
Sewer Bonds 97A Balance	11/01/1997	35,000,000	4,920,000	10/01/2008
Sewer Refunding Bonds 97A	09/01/2004	21,050,000	21,050,000	11/01/2017
Sewer & Flood Control Bonds Balance	04/01/2001	55,000,000	10,530,000	04/01/2011
Golf Course Bonds	11/01/2001	12,000,000	10,895,000	12/01/2021
Sewer Refunding Bonds	12/04/2002	18,675,000	9,995,000	01/01/2009
Sewer Refunding 2006A	03/15/2006	31,920,000	31,920,000	06/30/2021
		Subtotal:	117,215,000	
DIRECT NET TAX SUPPORTED DEBT:			**$314,450,358**	

(continued next page)

DIRECT NET DEBT

As of June 30, 2006

Assessment Districts / Ad Valorem			
Total outstanding assessment bonds[4]		6,979,200	various
	Subtotal:	6,979,200	
TOTAL DIRECT NET TAX SUPPORTED DEBT:		**$321,429,558**	

[1]Supported by a dedicated, ad valorem tax.

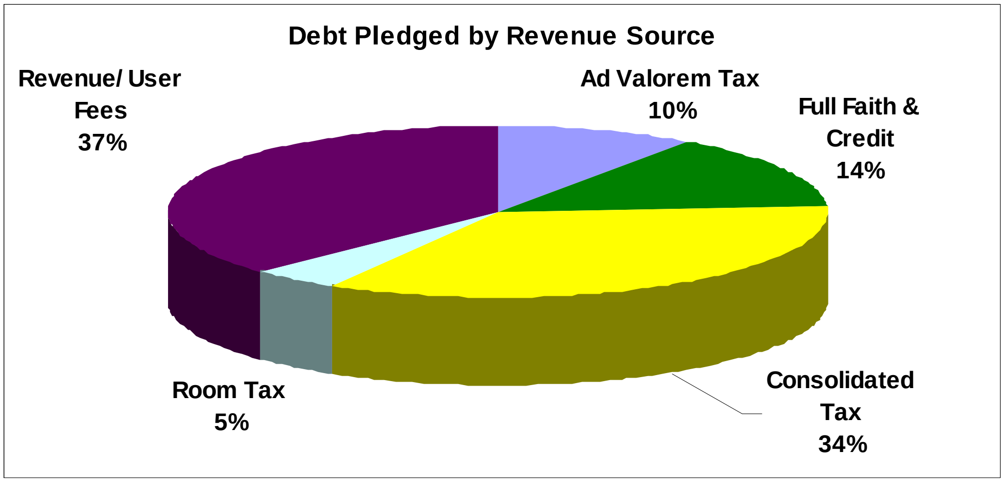
[2]Supported by the full faith and credit of the City; Ad Valorem is a secondary pledge.

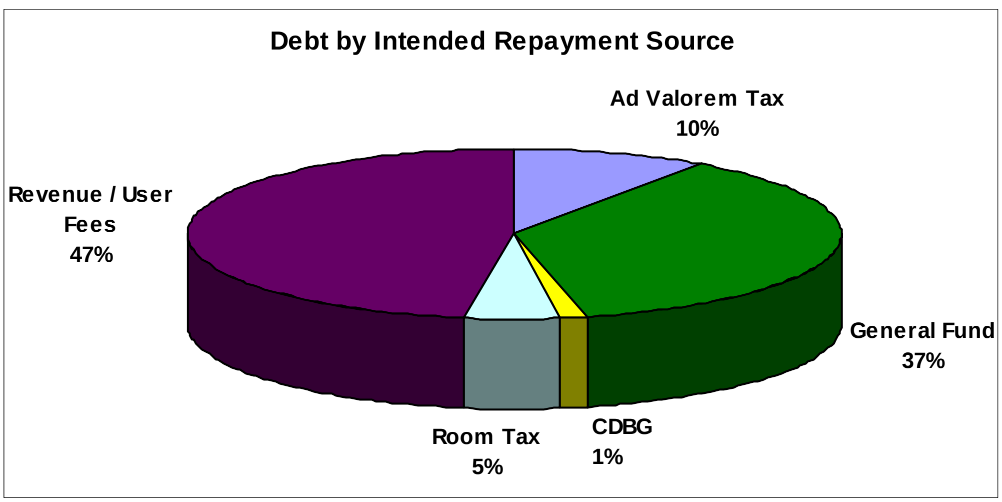
[3]General Obligation bonds additionally secured by pledged revenues; if revenues are not sufficient, the City is obligated to pay the difference: between such revenues and debt service requirements of the respective bonds.

[4]Secured by assessments against property improved, the City's General Fund and taxing power are contingently liable if collections of assessments are insufficient. There are currently assessment district bond issues outstanding with various retirement dates extending to June 1, 2023.

SOURCE: City of Las Vegas, Nevada - Department of Finance and Business Services

COMPOSITION OF OUTSTANDING GROSS DIRECT DEBT
City of Las Vegas, Nevada
By Repayment Source – Pledged and Actual
As of June 30, 2006





The following table illustrates the City's Indirect Net Tax Debt:

INDIRECT NET TAX DEBT
City of Las Vegas, Nevada
as of June 30, 2006

	Overlapping Total General Obligation Indebtedness	**Presently Self-Supporting General Obligation Indebtedness**	**Percent Applicable [1/]**	**Net General Obligation Indebtedness [2/]**
Clark County	$ 1,911,185,000	$ 1,792,300,000	24.61%	$ 29,254,714
Clark County School District	3,534,820,500	647,310,000	24.61%	710,546,264
Las Vegas Valley Water District	1,496,935,000	1,496,935,000	24.77%	0
Las Vegas-Clark County Library District	34,195,000	0	32.33%	11,054,829
State of Nevada	2,366,943,057	1,298,875,000	19.24%	205,489,572
TOTAL				$ 956,345,572

1/ Based on a ratio of the preliminary 2007 assessed valuation in the respective jurisdiction.

2/ Applicable Net Overlapping General Obligation Indebtedness equals total existing general obligation indebtedness less self-supporting general obligation indebtedness times percent applicable.

SOURCE: Compiled by Nevada State Bank Public Finance

Calculation of Net Tax-Supported Debt

Shown below is a record of City of Las Vegas tax-supported debt position.

TAX-SUPPORTED DEBT POSITION
City of Las Vegas, Nevada
As of June 30, 2006

Fiscal Year Ended June 30	Gross Direct Debt 1/	Less: Self-Supporting Debt	Direct Net Tax Debt 2/	Indirect Net Tax Debt 3/	Overall Net Tax Debt 4/
1995	$156,295,000	$137,140,000	$19,155,000	$392,456,684	$411,611,684
1996	157,995,000	141,215,000	16,780,000	484,364,260	501,144,260
1997	172,090,000	136,845,000	35,245,000	628,861,326	664,106,326
1998	203,030,000	173,820,000	29,210,000	629,235,415	658,445,415
1999	227,340,000	194,650,000	32,690,000	662,639,672	695,329,672
2000	244,915,000	191,985,000	52,930,000	659,909,785	712,839,785
2001	313,590,000	234,375,000	79,215,000	637,384,072	716,599,072
2002	305,680,000	231,415,000	74,265,000	744,595,778	818,860,778
2003	307,765,000	240,050,000	67,715,000	406,932,338	474,647,338
2004	304,339,052	223,370,000	80,969,052	776,909,744	857,878,796
2005	296,363,285	206,655,000	89,708,285	897,904,588	987,612,873
2006	314,450,358	238,705,000	75,745,358	956,345,572	1,032,090,930

1/ Includes all City tax supported debt in addition to all self-supporting debt. See the table entitled "DIRECT NET DEBT".
2 Reflects the Total Direct Debt less the Self-Supporting Debt. See the table entitled "DIRECT NET DEBT".
3 Includes the indebtedness of all entities whose boundaries overlap the City's. See the table entitled "INDIRECT NET TAX DEBT".
4/ Includes Direct Net Tax Debt and Indirect Net Tax Debt.

SOURCE: City of Las Vegas, Nevada – Department of Finance and Business Services

Tax Supported Debt Burden

The following table shows the Direct Net Debt and Overall Net Debt ratios for the City.

EXISTING NET TAX SUPPORTED DEBT BURDEN

City of Las Vegas, Nevada Debt Position:	
Gross Direct Debt:	$314,450,358
Less: Self-Supporting Debt:	238,705,000
Direct Net Debt:	75,745,358
Indirect (Overlapping) Net Debt:	956,345,572
Overall Net Debt:	$1,032,090,930

City of Las Vegas, Nevada Debt Ratios:	
Direct Net Debt to Assessed-Value:	$.0034
Direct Net Debt Per Capita:	$132.92
Overall Net Debt to Assessed-Value:	$.05
Overall Net Debt Per Capita:	$1,811.20

Debt Retirement
54% of direct net debt is paid off in 5 years.
46% of direct net debt is paid off between 5 and 10 years.

As of June 30, 2006

Based upon FY 2006 Assessed Value - $22,028,939,538
Source: Nevada Department of Taxation as of March 15, 2006
Population: 569,838
Source: State of Nevada Demographer

In addition to showing the relative position of the City, these ratios indicate the significant impact of overlapping debt (See the "INDIRECT NET TAX DEBT") on the City's overall debt position. As can be seen in the calculation of overlapping debt shown earlier, overlapping jurisdictions include the school district, the State of Nevada, Clark County and other jurisdictions over which the City has little control. Nonetheless, the debt issuance of these governments directly impacts the overall net direct tax-supported debt position of the City.

Source: City of Las Vegas, Nevada - Department of Finance and Business Services

General Obligation Debt Comparison

A comparison of the voter approved general obligation debt that is payable from ad valorem taxes is shown below. Also shown is a comparison of the voter approved general obligation debt per capita as compared with the average for such debt of other municipalities, as well as an illustration of debt that is payable from ad valorem taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality.

DEBT RATIO COMPAISONS
AS OF June 30,2006

Municipality	Total General Obligation Debt [1/]	Estimated FY 05 2005 Population [2/]	Fiscal Year Preliminary 2007 Assessed Value [3/]	General Obligation Debt Per Capita	GO as a % of Assessed Value
Carson City	$ 139,058,905	57,104	$ 1,433,303,610	$2,435.19	9.70%
Henderson	413,122,777	241,134	13,818,632,454	1,713.25	2.99%
CC School District	0	1,796,380	0	-	3.95%
North Las Vegas	250,135,000	180,219	6,912,113,869	1,387.95	3.62%
Clark County	0	1,796,380	0	-	2.13%
Las Vegas	**314,450,358**	**569,838**	**0**	**551.82**	**1.43%**
Reno	31,595,000	206,735	6,437,304,944	152.83	0.49%

1/ Outstanding as of June 30, 2006; does not include revenue bonds, lease/purchase agreements, assessment bonds, or proposed bonds.
2/ Source: State of Nevada Demographer, figures effective July 1.
3/ Source: Nevada Department of Taxation as of March 15, 2006 (excluding Redevelopment Agencies).
SOURCE: Compiled by NSB Public Finance

Resources Available for Future Debt Issuance

The City's ability to meet its future debt obligations will primarily depend on financial and other economic resources available at that time. This analysis assumes a continuation of the current situation, particularly as to the City's tax structure and economic composition.

Available Revenue / Call Features - The City's long-term debt is sold with a prepayment option. When available revenues are identified, the Department of Finance should consider prepaying or defeasing portions of its outstanding debt.

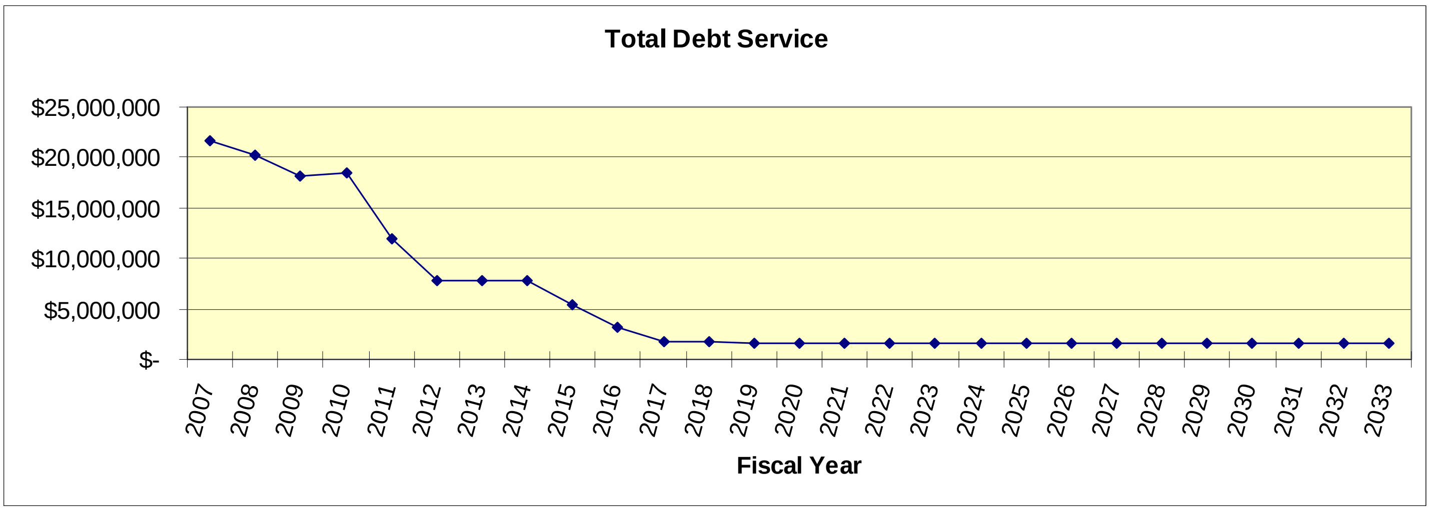
Debt Retirements - One source from which the City can obtain debt capacity is through retirement of currently outstanding debt; that is, the scheduled repayment of existing obligations. As the City retires debt this amount becomes available as a resource for new debt issuance without adding to the City's existing debt position. The table on the following page illustrates the annual bond payments on the City's direct net tax-supported debt.

Growth in revenue dedicated to the repayment of bonds - As the City continues to experience growth in revenues used for the repayment of bonds, the available revenues may be utilized to support additional issuances of bonds in the future.

DIRECT NET DEBT
Debt Service Requirements
City of Las Vegas, Nevada
As of June 30, 2006

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	$16,845,391	$4,752,040	$21,597,431
2008	16,219,967	4,079,540	20,299,506
2009	14,715,000	3,447,872	18,162,872
2010	15,720,000	2,804,588	18,524,588
2011	9,725,000	2,228,313	11,953,313
2012	5,860,000	1,863,683	7,723,683
2013	6,100,000	1,641,851	7,741,851
2014	6,390,000	1,395,074	7,785,074
2015	4,265,000	1,168,114	5,433,114
2016	2,090,000	1,020,031	3,110,031
2017	730,000	948,106	1,678,106
2018	765,000	908,863	1,673,863
2019	800,000	867,781	1,667,781
2020	835,000	824,863	1,659,863
2021	880,000	779,844	1,659,844
2022	925,000	733,619	1,658,619
2023	970,000	686,244	1,656,244
2024	1,025,000	636,369	1,661,369
2025	1,075,000	583,869	1,658,869
2026	1,135,000	528,619	1,663,619
2027	1,195,000	470,369	1,665,369
2028	1,255,000	408,334	1,663,334
2029	1,325,000	342,222	1,667,222
2030	1,390,000	272,650	1,662,650
2031	1,465,000	199,491	1,664,491
2032	1,540,000	122,488	1,662,488
2033	1,620,000	41,513	1,661,513
	$116,860,357	$33,756,346	$150,616,703

OUTSTANDING DEBT REPAYMENT
DIRECT NET DEBT
As of June 30, 2006



SOURCE: City of Las Vegas, Nevada - Department of Finance and Business Services

Economic and Demographic Growth

In addition to repayments of principal, debt capacity is created by demographic growth or increased economic activity. To the extent that these resources are expanding and the City can capture that growth through increased tax revenues and assessed value growth.

A growing property base is an important resource for future debt issuance. The following table illustrates a record of the City's assessed valuation.

SIX YEAR RECORD OF ASSESSED VALUATION *
City of Las Vegas, Nevada

Fiscal Year Ended, June 30	2002	2003	2004	2005	2006	2007
City of Las Vegas	9,478,345,448	10,601,484,064	11,479,811,435	12,717,378,524	16,477,577,041	22,028,939,538
Percent Growth	6.36%	11.85%	8.29%	10.78%	22.82%	25.20%

* City of Las Vegas Finance and Business Services Department (excludes Redevelopment Agency).

Property Tax Supported Debt

The City repays approximately 15.23% of its tax-supported debt with ad valorem property taxes. The following tables illustrate the outstanding bond issues currently being supported with ad valorem property taxes and the corresponding annual debt service for those issues.

PROPERTY TAX SUPPORTED DEBT
City of Las Vegas, Nevada
June 30, 2006

	Date Issued	Final Payment Date	Principal Amount	Amount Outstanding
Fire Refunding Bonds	12/06/2002	03/01/2008	$ 4,410,000	$ 1,860,000
Public Safety Medium Term Bonds	04/01/2001	04/01/2011	22,500,000	14,150,000
Total				$16,010,000

DEBT SERVICE SCHEDULE
Property Tax Supported Bonds
As of June 30, 2006

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	$3,520,000	$631,194	$4,151,194
2008	3,650,000	500,916	4,150,916
2009	2,825,000	363,421	3,188,421
2010	2,945,000	250,420	3,195,420
2011	3,070,000	128,942	3,198,940
Total	$16,010,000	$1,874,893	$17,884,893

City of Las Vegas Property Tax Rate

The City anticipates levying a tax rate of $.0077 cents for the repayment of voter-approved bonds for fiscal year 2005. This rate is estimated to provide sufficient revenue to make principal and interest payments due in fiscal year 2005, and if continued into the future, is projected to provide sufficient revenue to cover annual payments due on the bonds through their respective maturities. The City's debt levy is a function of the amount of annual debt service, assessed value growth, interest earnings and available balances. The City estimates that the tax rate levied for voter approved debt override should not exceed the current rate of $.095 cents.

The City has budgeted for $14,457,993.00 of revenue from the 9.5 cent fire protection tax override. The revenues generated by this override will be sufficient to retire the outstanding bonds paid from these sources. The fiscal year 2007 principal and interest requirements are $4,151,194.00.

SOURCE: City of Las Vegas, Nevada - Department of Finance and Business Services

The following tables list the outstanding bonds secured by 15 percent of the Consolidated Tax Distribution. Consolidated Tax Revenue for FY 2007 is budgeted to be $287,280,000.00; NRS 377.080 allows 15% of Consolidated Tax Revenue to be pledged as security for bonds. The city's policy is to use only 90% of state mandated 15% of Consolidated Tax Revenue for debt. This allows for $38,782,800.00 per year for debt service payments.

CONSOLIDATED TAX-SUPPORTED BONDS
City of Las Vegas, Nevada
As of June 30, 2006

	Issue Date	Original Amount	Outstanding Amount	Retirement Date
Various Purpose 97 B	11/15/1997	$10,000,000	$2,375,000	11/1/2007
Parking Bonds 02 Balance	12/1/2002	25,000,000	3,660,000	12/1/2012
Various Purpose 06A	5/31/2006	18,000,000	18,000,000	6/30/2024
Various Purpose 06B	5/31/2006	50,745,000	50,745,000	6/30/2036
	Total General Fund		74,780,000	
Redevelopment Project 98A	11/1/1998	17,000,000	9,815,000	5/1/2012
Parking Bonds 99 Balance	10/1/1999	10,000,000	1,425,000	6/1/2009
Various Purpose Reunding 05B	7/1/2005	21,295,000	21,295,000	6/1/2019
	Total Enterprise Fund		32,535,000	
	Grand Total C-Tax		$107,315,000	

Fiscal Year	Principal	Interest	Total
2007	$3,555,000	$5,106,496	$8,661,496
2008	4,415,000	5,204,119	9,619,119
2009	3,385,000	4,999,453	8,384,453
2010	3,605,000	4,815,303	8,420,303
2011	3,805,000	4,628,572	8,433,572
2012	3,930,000	4,428,028	8,358,028
2013	4,155,000	4,214,178	8,369,178
2014	4,910,000	4,015,328	8,925,328
2015	5,170,000	3,772,028	8,942,028
2016	5,410,000	3,499,397	8,909,397
2017	5,685,000	3,253,253	8,938,253
2018	5,965,000	2,972,066	8,937,066
2019	3,535,000	2,674,536	6,209,536
2020	2,790,000	2,505,046	5,295,046
2021	2,935,000	2,362,777	5,297,777
2022	3,085,000	2,212,945	5,297,945
2023	3,240,000	2,054,855	5,294,855
2024	2,715,000	1,887,005	4,602,005
2025	2,000,000	1,751,250	3,751,250
2026	2,000,000	1,651,250	3,651,250
2027	2,025,000	1,551,250	3,576,250
2028	2,300,000	1,450,000	3,750,000
2029	2,410,000	1,335,000	3,745,000
2030	3,500,000	1,214,500	4,714,500
2031	3,500,000	1,039,500	4,539,500
2032	4,000,000	864,500	4,864,500
2033	3,085,000	664,500	3,749,500
2034	3,235,000	510,250	3,745,250
2035	3,400,000	348,500	3,748,500
2036	3,570,000	178,500	3,748,500
Total	$107,315,000	$77,164,393	$184,479,393

The following tables list the outstanding bonds secured by sewer revenues:

ENTERPRISE FUND/SEWER BONDS
City of Las Vegas, Nevada
As of June 30, 2006

Issue	Date Issued	Principal Amount	Amount Outstanding	Retirement Date
Sewer Refunding Bonds	01/01/97	$35,680,000	$27,905,000	10/01/17
Sewer Bonds 97A	11/15/97	35,000,000	4,920,000	10/01/17
Sewer Refunding 97A	09/01/04	21,050,000	21,050,000	11/01/17
Sewer & Flood Control Bonds	04/24/01	55,000,000	10,530,000	04/01/11
Sewer Refunding Bonds	12/04/02	18,675,000	9,995,000	01/01/09
Sewer Refunding 2006A	03/15/06	31,920,000	31,920,000	06/30/21
			$106,320,000	

ices

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service
2007	$10,000,000	$4,802,187	$14,802,187
2008	10,545,000	4,201,685	14,746,685
2009	11,065,000	3,686,094	14,751,094
2010	8,225,000	3,152,713	11,377,713
2011	8,600,000	2,770,763	11,370,763
2012	9,180,000	2,367,700	11,547,700
2013	9,575,000	1,963,050	11,538,050
2014	5,130,000	1,656,438	6,786,438
2015	5,340,000	1,452,225	6,792,225
2016	5,580,000	1,207,375	6,787,375
2017	5,830,000	951,375	6,781,375
2018	6,110,000	683,575	6,793,575
2019	3,565,000	459,525	4,024,525
2020	3,710,000	312,469	4,022,469
2021	3,865,000	159,431	4,024,431
Total	$106,320,000	$29,826,603	$136,146,603

City Debt Service and Reserve Funds

The following table lists the fiscal year 2006 debt service requirement for the City's net direct tax-supported debt and the respective (budgeted) reserve fund or debt service fund balance. For bonds paid solely from property taxes, it is the City's policy to strive for a debt service fund balance in an amount not less than the succeeding year's principal and interest requirement. The reserve requirements, if any, for other bond issues are set forth in their respective bond covenants. Based on management review the reserve amounts listed below are adequate.

Debt Service Reserves
City of Las Vegas
As of June 30, 2006

	6/30/06 Debt Service Reserve	FY 2007 Debt Service
Fire Refunding Bonds	$970,373	$970,373
Park Medium Term Bonds	3,563,725	3,563,725
Public Safety Medium Term Bonds	300,000	3,180,821
Recreation Bonds	1,365,000	1,365,000
Various Purpose	1,242,874	1,242,874
Parking Garage Medium Term Bonds	904,933	904,933
	$8,346,905	$11,227,726

SOURCE: City of Las Vegas, Nevada - Department of Finance and Business Services

Possible Future City Capital Projects

While some possible financings are better defined than others, the City could be projecting approximately $10,000,000 in capital projects that will require long-term financing over the next year, as listed below. There is no assurance these will be issued in the amounts and at the dates shown below. There exists a possibility that all or part of any project listed below will be funded through alternative revenue sources.

Possible City Capital Projects Requiring Long-Term Financing

Project	Issue Date	Amount	Repayment Source
City General Obligation Bonds			
Public Safety Bonds	FY 07	$ 10,000,000	General Obligation
Union Park	FY 07	32,000,000	GO & C-Tax
SID Bank Loans			
District 1507	FY 07	1,350,000	SID Assessments
District 1506	FY 07	1,850,000	SID Assessments
TOTAL		$159,825,000	

SOURCE: City of Las Vegas, Nevada - Department of Finance and Business Services

Proposed FY 07 Debt
Public Safety Bonds

Fiscal Year	Principal	Interest	Total
2007	$760,000	$600,000	$1,360,000
2008	805,000	554,400	1,359,400
2009	850,000	506,100	1,356,100
2010	905,000	455,100	1,360,100
2011	960,000	400,800	1,360,800
2012	1,015,000	343,200	1,358,200
2013	1,075,000	282,300	1,357,300
2014	1,140,000	217,800	1,357,800
2015	1,210,000	149,400	1,359,400
2016	1,280,000	76,800	1,356,800
Total	$10,000,000	$3,585,900	$13,585,900

Proposed FY 07
Union Park Infrastructure
$32,000,000

Fiscal Year	Principal	Interest	Total
2007	$0	$1,297,777	$1,297,777
2008	0	1,600,000	1,600,000
2009	0	1,600,000	1,600,000
2010	0	1,600,000	1,600,000
2011	625,000	1,600,000	2,225,000
2012	660,000	1,568,750	2,228,750
2013	690,000	1,535,750	2,225,750
2014	725,000	1,501,250	2,226,250
2015	760,000	1,465,000	2,225,000
2016	800,000	1,427,000	2,227,000
2017	840,000	1,387,000	2,227,000
2018	880,000	1,345,000	2,225,000
2019	925,000	1,301,000	2,226,000
2020	970,000	1,254,750	2,224,750
2021	1,020,000	1,206,250	2,226,250
2022	1,070,000	1,155,250	2,225,250
2023	1,125,000	1,101,750	2,226,750
2024	1,180,000	1,045,500	2,225,500
2025	1,240,000	986,500	2,226,500
2026	1,300,000	924,500	2,224,500
2027	1,365,000	859,500	2,224,500
2028	1,435,000	791,250	2,226,250
2029	1,505,000	719,500	2,224,500
2030	1,585,000	644,250	2,229,250
2031	1,660,000	565,000	2,225,000
2032	1,745,000	482,000	2,227,000
2033	1,830,000	394,750	2,224,750
2034	1,925,000	303,250	2,228,250
2035	2,020,000	207,000	2,227,000
2036	2,120,000	106,000	2,226,000
Total	$32,000,000	$31,975,527	$63,975,527

Proposed Special Improvement District Bank Loans
SID 1506 & 1507
Debt Service Requirements

Fiscal Year	Principal	Interest	Total
2007	$245,000	$192,000	$437,000
2008	255,000	177,300	432,300
2009	275,000	162,000	437,000
2010	290,000	145,500	435,500
2011	305,000	128,100	433,100
2012	325,000	109,800	434,800
2013	345,000	90,300	435,300
2014	365,000	69,600	434,600
2015	385,000	47,700	432,700
2016	410,000	24,600	434,600
Total	$3,200,000	$1,146,900	$4,346,900

SOURCE: City of Las Vegas, Nevada - Department of Finance and Business Services

Statutory Debt Capacity

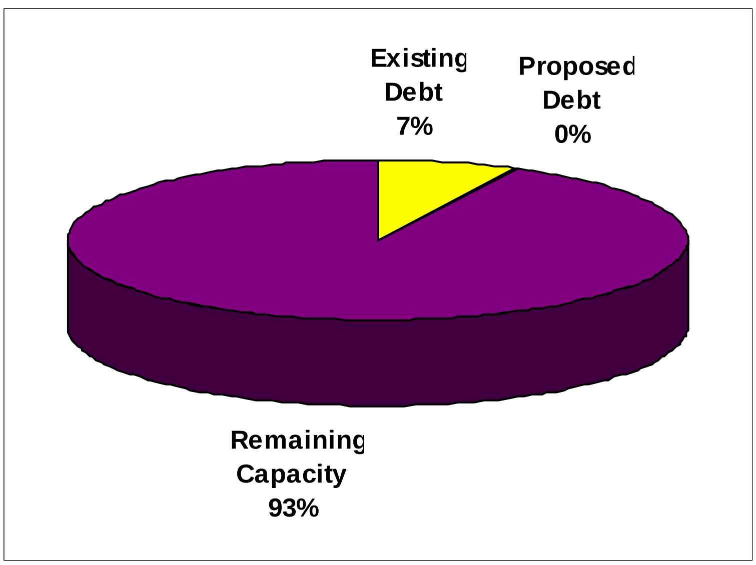
State statutes limit the aggregate principal amount of the City's general obligation indebtedness to 20 percent of the City's total reported assessed valuation (including the assessed valuation of the redevelopment agencies). Based upon the estimated fiscal year 2006 assessed value $22,028,939,538 excluding the assessed value of the redevelopment agencies, the City's statutory debt limitation is $4,405,787,908. The following table represents the City's outstanding and proposed general obligation indebtedness with respect to its statutory debt limitation.

STATUTORY DEBT CAPACITY
City of Las Vegas, Nevada
June 30, 2006

Statutory Debt Limitation	$4,405,787,908
Outstanding General Obligation Indebtedness [1/]	321,429,558
Plus: Proposed Public Safety Bonds	10,000,000
Plus: Proposed Special Improvement Bank Loans	3,825,000
Total Outstanding and Proposed General Obligation Indebtedness	335,254,558
Additional Statutory Debt Limitation Available	$4,070,533,350

'See table entitled "POSSIBLE CITY CAPITAL PROJECTS REQUIRING LONG-TERM FINANCING REPAYMENT SOURCES IDENTIFIED".

SOURCE: Department of Taxation; City of Las Vegas



Note: Proposed Debt less than 1% of Additional Statutory Debt Limitation Available.

City Debt Trends

Impact of Currently Proposed Capital Projects on Debt Trends - The table below reflects the City's historical debt trends and its projected debt ratios assuming all of the direct net debt described earlier is issued during the upcoming fiscal year.

HISTORICAL AND PROJECTED
NET DIRECT TAX SUPPORTED DEBT TRENDS

Fiscal Year Ended 6/30	Net Direct Tax Supported Debt	Net Direct Tax Supported Debt Per Capita	Net Direct Tax Supported Debt to Taxable Value	Population
1992	$14,310,000	$47.21	0.48%	303,140
1993	22,065,000	68.25	0.65%	323,300
1994	22,115,000	63.85	0.58%	346,350
1995	19,155,000	52.00	0.48%	368,360
1996	16,780,000	42.15	0.38%	398,110
1997	35,245,000	82.88	0.66%	425,270
1998	29,210,000	66.20	0.47%	441,230
1999	32,690,000	70.29	0.47%	465,050
2000	52,930,000	109.48	0.71%	483,448
2001	79,215,000	151.47	0.95%	522,969
2002	74,265,000	153.62	0.83%	483,448
2003	67,715,000	131.58	0.64%	514,640
2004	80,969,052	153.17	0.71%	528,617
2005	89,708,285	163.23	0.55%	549,571
2006	75,745,358	132.92	0.34%	569,838

SOURCE: City of Las Vegas, Nevada - Department of Finance and Business Services

Preliminary Summary and Conclusion

The city's debt burden is low to moderate and will likely remain so rapid amortization offsets proposed additional debt. A substantial portion of the general obligation debt outstanding is supported from non-property tax revenue. Amortization is rapid, with 88% of debt retired in 10 years. Including overlapping debt, total overall debt is moderate with $1,678 per capita.

Summary of Debt Capacity Analysis Policies

- The City's Direct Net Tax Supported Debt shall be maintained at a level considered manageable by the rating agencies based upon current economic conditions, including among others, population, per capita income and assessed valuation.

- The City shall structure all long-term debt with prepayment options except when alternative structures are more advantageous. The City will consider prepaying or defeasing portions of outstanding debt when available resources are identified.

- For bonds being repaid solely with property taxes, the Department of Finance will strive for a debt service fund balance in an amount not less than the succeeding year's principal and interest requirements. The reserve fund requirements for other bond issues will be set forth in their respective bond covenants.

- The Department of Finance shall update the City's Debt Capacity Analysis annually.

DEBT ISSUANCE POLICY

Administration of Policy

The City Manager is the Chief Administrative Officer for The City. The Director of Finance is the Chief Financial Officer for the City. The City Manager is ultimately responsible for administration of City financial policies. The City Council is responsible for the approval of any form of City borrowing and the details associated therewith. Unless otherwise designated, the Director of Finance coordinates the administration and issuance of debt.

The Director of Finance is also responsible for the attestation of disclosure and other bond related documents. References to the "City Manager or his designee" in the document are hereinafter assumed to assign the Director of Finance as the "designee" for administration of this policy. The City Manager may, from issue to issue, designate officials from issuing entities to discharge the provisions of this policy.

Initial Review and Communication of Intent

All borrowing requests shall be communicated to the City Finance Department during the annual budget process. Requests for a new bond issue must be identified as a part of a Capital Improvement Program (CIP) request. Opportunities for refunding shall originate with or be communicated to the Department of Finance. Justification and requested size of the bond issue must be presented as well as the proposed timing of the bond issue,

The Department of Finance will evaluate each debt proposal comparing it with other competing interests within the City. All requests will be considered in accordance with the City's overall adopted priorities. The Department of Finance will coordinate the issuance of debt including size of issuance, debt structuring, repayment sources and determination of mix (e.g. debt financing versus pay-as-you-go), and method of sale.

Clark County Debt Management Commission

In Nevada, governments must present their general obligation debt proposals, (with the exception of medium term financings issued under NRS 350), to a County Debt Management Commission. This Commission reviews the statutory debt limit, method of repayment, and possible impact on other underlying or overlapping entities. When considering the possible impact on other entities, the Commission generally considers the property tax rate required versus others' need for a tax rate - all of which must fall at or below the statutory $3.64 property tax cap. The $3.64 is not usually a limiting factor. However, the cap will become an issue when local governments begin levying a property tax that is closer to $3.64. The Debt Management Commissions do not generally make judgments about a proposal's impact on the debt ratios of all the affected governments.

Types of Debt

General obligation bonds - Under NRS 350.580, the City may issue as general obligations any of the following types of securities:

1. Notes
2. Warrants
3. Interim debentures
4. Bonds, and
5. Temporary bonds

General obligation bonds are general obligations of the City payable from general (ad valorem) taxes, subject to certain constitutional and statutory limitations. The Nevada Constitution and State statutes limit the total taxes levied by all governmental units to an amount not to exceed $5.00 and $3.64, respectively, per $100 of assessed valuation with a priority for taxes levied for the payment of general obligation indebtedness.

Any outstanding general obligation bonds, any temporary general obligation bonds to be exchanged for such definitive bonds, and any general interim debentures, constitute outstanding indebtedness of the City and exhaust the debt-incurring power of the City. Nevada statutes require that most general obligation bonds mature within 30 years from their respective issuance dates.

Bonding should be used to finance or refinance only those capital improvements and long-term assets, or other costs directly associated with financing a project, which have been determined to be beneficial to a significant proportion of the citizens in The City and for which repayment sources have boon identified. Bonding should be used only after considering alternative funding sources, such as project revenues, federal and state grants, and special assessments.

General obligation bonds issued under this heading are used when a voter-approved property tax is the desired repayment source.

General obligation/revenue bonds - such bonds are payable from taxes and additionally secured by a pledge of revenues. If pledged revenues from the projects financed are not sufficient, the City is obligated to pay the difference between such revenues and the debt service requirements of the respective bonds from general (ad valorem) taxes.

Interim debentures/interim warrants - Under NRS 350.672, the City is authorized to issue general obligation/special obligation interim debentures without any other election in anticipation of the proceeds of taxes, the proceeds of general obligation or revenue bonds, the proceeds of pledged revenues or any other special obligations of the City and its pledged revenues. These securities are often used in anticipation of assessment district bonds.

Revenue bonds - Under NRS 350.582, the City may issue as special obligations any of the following types of revenue securities:

1. Notes
2. Warrants
3. Interim debentures
4. Bonds, and
5. Temporary bonds

Securities issued as special obligations do not constitute outstanding indebtedness of the City nor do they exhaust its legal debt-incurring power. Bonding should be limited to projects with available revenue sources whether self-generated or dedicated from other sources. Adequate financing feasibility studies should be performed for each revenue issue. Sufficiency of revenues should continue throughout the life of the bonds.

Medium-term General Obligation Financing -Under NRS 350, the City may issue negotiable notes or short term negotiable bonds. Those issues approved by the Executive Director of the Nevada Department of Taxation are payable from all legally available funds (General Fund, etc.). A special property tax override is not authorized by this statute. The negotiable notes or bonds:

1. Must mature not later than 10 years after the date of issuance.

2. Must bear interest at a rate which does not exceed by more than three percent the Index of Twenty Bonds which was most recently published before the bids are received or a negotiated offer is accepted.

3. May, at the option of the City, contain a provision which allows redemption of the notes or bonds before maturity, upon such terms as the City Council determine.

4. Term of bonds may not exceed the estimated useful life of the asset to be purchased with the proceeds from the financing, if the maximum term of the financing is more than five years.

5. Bonds issued in a medium-term financing structure, must have a medium-term financing resolution approved, which becomes effective after approval by the executive director of the department of taxation.

Certificates of participation/other leases - Certificates of participation are essentially leases which are sold to the public. The lease payments are subject to annual appropriation. Investors purchase certificates representing their participation in the lease. Often, the equipment or facility being acquired serves as collateral. These securities are most useful when other means to finance are not available under State law.

Refunding - A refunding is generally the underwriting of a new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions are described as follows:

Advance Refunding - a method of providing for payment of debt service on a bond until the first call date or designated call date from available fimds. Advance refundings are done by issuing a new bond or using available funds and investing the proceeds in an escrow account in a portfolio of U.S. Government securities that are structured to provide enough cash flow to pay debt service on the refunded bonds.

Current Refunding - the duration of the escrow is 90 days or less.

Gross Savings - Difference between debt service on refunding bonds and refunded bonds less any contribution from a reserve or debt service fund.

Present Value Savings - Present value of gross savings discounted at the refunding bond yield to the closing date, plus accrued interest less any contribution from a reserve or debt service fund.

Prior to beginning a refunding bond issue, the City will review an estimate of the savings achievable from the refunding. The City may also review a pro forma schedule to estimate the savings assuming that the refunding is done at various points in the future.

The City will generally consider refunding outstanding bonds if one or more of the following conditions exist:

1. Present value savings are at least three percent of the par amount of the refunding bonds.
2. The bonds to be refunded have restrictive or outdated covenants.
3. Restructuring debt is deemed to be desirable.

The City may pursue a refunding that does not meet the above criteria if:

1. Present value savings exceed the costs of issuing the bonds.
2. Current savings are acceptable when compared to savings that could be achieved by waiting for more favorable interest rates and/or call premiums.

Debt Structuring

<u>Maturity Structures -</u> The term of City debt issues should not extend beyond the useful life of the project or equipment financed, The repayment of principal on tax supported debt should generally not extend beyond 20 years unless there are compelling factors which make it necessary to extend the term beyond this point,

Debt issued by the City should be structured to provide for either level principal or level debt service. Deferring the repayment of principal should be avoided except in select instances where it will take a period of time before project revenues are sufficient to pay debt service. Ascending debt service should generally be avoided.

<u>Bond Insurance -</u> Bond insurance is an insurance policy purchased by an issuer or an underwriter for either an entire issue or specific maturities, which guarantee the payment of principal and interest. This security provides a higher credit rating and thus a lower borrowing cost for an issuer.

Bond insurance can be purchased directly by the City prior to the bond sale (direct purchase) or at the underwriter's option and expense (bidder's option). The City will attempt to qualify its bond issues for insurance with bond insurance companies rated AAA by Moody's Investors Service, Standard & Poor's Corporation, and Fitch Ratings.

The decision to purchase insurance directly versus bidder's option is based on:

- volatile markets
- current investor demand for insured bonds
- level of insurance premiums
- ability of the City to purchase bond insurance from bond proceeds

When insurance is purchased directly by the City, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium. The bond insurance company will usually be chosen based on an estimate of the greatest net present value insurance benefit (present value of debt service savings less insurance premium).

Reserve Fund and Coverage Policy - A debt service reserve fund is created from the proceeds of a bond issue and/or the excess of applicable revenues to provide a ready reserve to meet current debt service payments should moneys not be available from current revenues.

Coverage is the ratio of pledged revenues to related debt service for a given year. For each bond issue, the Department of Finance shall determine the appropriate reserve fund and coverage requirements if any. The reserve for City General Obligation Bonds should approximate one year of principal and interest or other level as determined adequate by the Department of Finance. It is also The City's policy to strive for one year of principal and interest on other obligations.

Interest Rate Limitation- Under NRS 350.2011, the maximum rate of interest must not exceed by more than three percent:

1. for general obligations, the Index of Twenty Bonds; and
2. for special obligations, the Index of Revenue Bonds,
   which was most recently published before the City adopts a bond ordinance.

Secondary Market Disclosure

In November 1994, the Securities and Exchange Commission (SEC) amended Rule 15c2-12 (the "Rule") to prohibit any broker, dealer, or municipal securities dealer from acting as an underwriter in a primary offering of municipal securities unless the issuer Promises in writing to provide certain ongoing information (unless the offering satisfies certain exemptions).

The City will comply with the Rule by providing the secondary market disclosure required in any case in which the Rule applies to the City as an obligated person ("Obligated Person") as defined in the Rule.

The City will also require certain governmental organizations and private organizations (the "Organizations'), on behalf of which the City issues bonds or who otherwise are beneficiaries of the bonds, to comply with the Rule pursuant to a loan agreement or other appropriate financing document as a condition to providing the financing. The City is not required, nor will it obligate itself to provide secondary market disclosure for any obligated persons (other than the City), and the City will have no liability or responsibility for the secondary market disclosure requirements imposed upon other Obligated Persons, The City may, in appropriate cases, exempt Organizations and other Obligated Persons from this policy where the City determines, in its sole discretion, that an exemption permitted by the Rule is available.

Method of Sale

There are two ways bonds can be sold: competitive (public) or negotiated sale. Competitive and negotiated sales provide for one or more pricings depending upon market conditions or other factors. Either method can provide for changing issue size, maturity amounts, term bond features, etc. The timing of competitive and negotiated sales is generally related to the requirements of the Nevada Open Meeting Law.

Competitive Sale - With a competitive sale, any interested underwriter(s) is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is usually determined based on the lowest overall interest rate. Competitive sales should be used for all issues unless circumstances dictate otherwise.

Negotiated Sale - A securities sale through an exclusive arrangement between the issuer and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriters. Negotiated underwriting may be considered upon recommendation of the Department of Finance based on one or more of the following criteria:

- Extremely large issue size.

- Complex financing structure (i.e. variable rate financings, new derivatives and certain revenue issues, etc.) which provides a desirable benefit to the City.

- Comparatively lesser credit rating.

- Other factors which lead the Department of Finance to conclude that a competitive sale would not be effective.

Underwriter Selection for Negotiated Sale

1. Underwriter selection for economic development revenue bonds, and bonds issued pursuant to NRS 27 1, which are not secured by a pledge of the taxing power and general fund of the City, may be approved via the City's guidelines for such bonds.

2. The Department of Finance will solicit proposals from underwriters who have submitted, in their own name or as part of a syndicate, bids for City competitive bond issues during the past three years. All such firms will have an equal opportunity to be selected to die City's negotiated underwriting pool. The review of proposals shall include, but not be limited to, the requirements of NRS 350.185.

3. Before selling bonds at negotiated sale, underwriters in the City's pool may be contacted to provide additional information including, but not limited to that required by NRS 350.185.

4. The book-running senior manager and other members of the underwriting syndicate for a particular issue or project will be designated by the Department of Finance and ratified by the City Council- It is the City's intent, once a team is established, to provide equal opportunity for the position of bock-running senior manager. The Department of Finance will rotate the book-running senior manager on a deal-by-deal basis as appropriate for the particular bond issue or project.

5. The underwriting team should be balanced with firms having institutional, retail, and regional sales strength, qualified minority and/or woman-owned firms will be included in the underwriting team and given in equal opportunity to be senior manager.

6. The size of an issue will determine the number of members in the underwriting team and whether more than one senior manager is desirable.

Underwriting Spread

Before work commences on a bond issue to be sold at negotiated sale, the underwriter shall provide the Department of Finance a detailed estimate of all components of their compensation. Such estimates should be contained in the RFP or provided immediately after their designation as underwriter.

The book-running senior manager must provide an updated estimate of the expense component of gross spread to the Department of Finance no later than one week prior to the day of pricing.

Establishment of a Selling Group

When deemed appropriate by the Department of Finance, a selling group will also be established to assist the underwriting team in the marketing of the bond issue.

Priority of Orders

The priority of orders to be established for negotiated sales is generally as follows:

1. Nevada Investors
2. Group Orders
3. Designated Orders
4. Member Orders

For underwriting syndicates with three or more underwriters a three-firm rule for net designated orders will be established as follows;

1. The designation of takedown on net designated orders is to benefit at least three firms of the underwriting team.
2. No more than 50 percent of the takedown may be designated to any one firm. No less than 10 percent of the takedown will be designated to any one firm.

Retentions

If the use of retentions is desirable, the Department of Finance will approve the percentage (up to 30 percent) of term bonds to be set aside. The amount of total retention will be allocated to each member of the underwriting team in accordance with their respective underwriting liability, which is approved by the Department of Finance.

Allocation of Bonds

1. The book-running senior manager will be responsible for ensuring that the overall allocation of bonds meets the City's goals of obtaining the best price for the issue and a balanced distribution of the bonds.
2. The Department of Finance must approve the final bond allocation process with input from the book-running senior manager.

Miscellaneous

MBE/WBE statement -It is a continuing goal of The City to actively pursue minority and women business enterprises to take part in The City's procurement and contracting activity. Minority and women business enterprises will be solicited in the same manner as non-minority firms. The City encourages participation by minority and women business enterprises and will afford full opportunity for bid submission. Minority and women business enterprises will not be discriminated against on the grounds of race, color, creed, sex, or national origin in consideration for an award.

Bond Closings - All bond closings shall be held in The City unless circumstances dictate otherwise.

Gift Policy - Gifts of up to $100 are allowed; Gifts between $100.01 and $250.00 must be disclosed; Gifts greater than $250.00 are prohibited.

Summary of Debt Issuance Policies

- All bond issue requests shall be coordinated by the Department of Finance during the annual budget process. Requests for new bonds must be identified during the Capital Improvement Plan (CIP) process. Opportunities for refunding outstanding bonds shall be communicated to the Department of Finance.

- Bonding should be used to finance or refinance only those capital improvements and long term assets, or other costs directly associated with financing of a project, which has been determined to be beneficial to a significant proportion of the citizens in the City, and for which repayment sources have been identified. Bonding should be used only after considering alternative funding sources such as project revenues, Federal and State grants, and special assessments.

- The scheduled maturity of bond issues should not exceed the expected useful life of the capital project or asset(s) financed.

- Certificates of participation/other leases should be used only when appropriate (i.e. when no other adequate means of financing is available under State law).

- The Department of Finance shall consider refunding outstanding bonds if one or more of the following conditions exist: (1) present value savings are at least 3 percent, with certain exceptions, of the par amount of the refunding bonds; (2) the bonds to be refunded have restrictive or outdated covenants; or (3) restructuring debt is deemed to be desirable.

- The Department of Finance shall consider purchasing bond insurance when the present value of the estimated debt service savings from insurance is equal to or greater than the insurance premium.
- The City should encourage the use of competitive sales for all issues unless circumstances dictate otherwise. Negotiated sales will be considered by the Department of Finance only under the conditions set forth herein.
- The Department of Finance will establish a list of pre-qualified underwriters when negotiated sale is anticipated.
- For negotiated sales, qualified minority and/or woman-owned firms will be included in the underwriting team, and equal opportunity will be provided to all members of the team including minority and/or woman-owned firms to hold the position of book-running senior manager. The book-running senior manager and other members of the underwriting syndicate will be recommended by the Department of Finance and approved by the City Council.
- The priority of orders for negotiated sales shall generally be as follows: (1) Nevada investors, (2) group orders; (3) designated orders; and (4) member orders.
- For underwriting syndicates with three or more underwriters, a three-firm rule for net designated orders shall be established.
- The Department of Finance must approve the bond allocation process.

Five-Year Operating Tax Rate Forecast

Barring extraordinary events, the City shall impose a property tax limit based on the FY 1999 variance between the actual tax levied and the maximum allowed levy; that is, the City will not raise taxes beyond a self imposed limit that is 11.2 cents per $100 below the State imposed limit. As of fiscal year 2004, the City's maximum allowed rate is .8556 and the rate imposed is .6765, which leaves .1791 allowable under state law and .0689 allowable under this policy.

The City does not anticipate increasing the operating rate, barring extraordinary events, in the next five years.

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Operating Rate	.6765	.6765	.6765	.6765	.6765
Override	.0950	.0950	.0950	.0950	.0950
Total	.7715	.7715	.7715	.7715	.7715

Procedures for Debt Issuance
Timetables

Procedures for Debt Issuance/Timetable
(See sample schedules attached)

1. General Obligation Bonds (NRS 350 Voter Approved)
2. General Obligation Revenue Bonds (NRS 350)
3. Revenue Bonds/Certificates of Participation
4. Medium-Term General Obligation Bonds (NRS 350)
5. Assessment District Bonds

General Obligation Bonds (NRS 350)

Sample Schedule

No. of Weeks From Start	Event
0	-City Council (the "Council") adopts Debt Management Commission ("DMC") Notice Resolution
3	-DMC meets and adopts Approval Resolution
4	-City adopts Election Resolution
6 (3rd Mon in July*)	-Bond questions submitted to City Clerk or the Registrar of Voters
21 (1st Tuesday in November)	-General election / Bond election
22	-Board adopts Canvass Resolution
23	-Board adopts Sale Resolution
26	-Due diligence meeting to review the official statement
29	-Bond Sale -Board adopts Bond Ordinance
32	-Bond Closing

* Subject to Legislative adjustment

General Obligation Revenue Bond (NRS 350)

Sample Schedule

No. of Weeks From Start	Event
0	- Revenue source entity requests the City to issue bonds
1	- City Council (the "Council") adopts DMC Notice Resolution
3	- DMC meets and adopts Approval Resolution
5	- Council adopts Resolution of Intent and Resolution calling hearing of Resolution
6	- Publish Notice (Begin 60 day Petition Period) and Notice of Hearing
9	- Hold Hearing
14	- End of 30 day Petition Period
15	- Council adopts Sale Resolution
16	- Due diligence meeting to review the official statement
19	- Bond Sale - Council adopts Bond Ordinance
22	-Bond Closing

Revenue Bonds

Sample Schedule

No. of Weeks From Start	Event
0	- Council adopts Sale Resolution
3	- Due Diligence Meeting
7	- Bond Sale - Council Adopts Bond Ordinance
8	- Bond Closing

Medium-Term General Obligation Bond (NRS 350)

Sample Schedule

No. of Weeks From Start	Event
0	- The Council adopts Resolution calling for Public Hearing
1	- Publish Notice of Hearing
3	- Public Hearing; Council adopts Resolution authorizing Medium - Term financing (10 days after Notice of Hearing published) - Council adopts Sale Resolution
5	- Send information packet to Department of Taxation
8	- Due diligence meeting to review the official statement
11	- Bond Sale - Council adopts Bond Ordinance
14	- Bond Closing

Assessment District Bonds

Sample Schedule

No. of Weeks From Start	Event
	(Various assessment procedural steps take anywhere from 6 to 18 months prior to the events listed below.)
0	- Council adopts Assessment Ordinance
2	- Assessment Ordinance Effective - Begin 30-day Cash Payment Period
6	- End of 30-day Cash Payment Period
9	- Council adopts Bond Sale Resolution
9	- Due Diligence Meeting
12	- Bond Sale - Council Adopts Ordinance Authorizing Issuance of Bonds - Council Adopts Resolution Establishing Assessment Rate of Interest
15	- Bond Closing

CITY OF LAS VEGAS, NEVADA
Developer Special Improvement District Guidelines

Under chapter 271 of Nevada Revised Statutes (NRS), the City is authorized to acquire street, sidewalk, water, sewer, curb, gutter, flood control and other publicly-owned "infrastructure" improvements that benefit new development by the creation of a special improvement district as specified in NRS 271.265. The purpose of these guidelines is to outline the circumstances under which the City will consider this type of financing for improvements for new developments involving one or a small number of private property owners who intend on developing their property for residential, commercial, and industrial or other beneficial use.

Except as provided in the following two sentences, these guidelines apply to all assessment districts financed under NRS 271.710 through 271.730, and to all other assessment districts in which all three of the following conditions are met: (1) 5 or fewer property owners own 85% or more of the property to be assessed, (2) 80% or more of the property to be assessed is unimproved, and (3) the value of any parcel to be assessed "as is" (without considering the improvements to be installed or further subdivision), as shown in the records of the County Assessor or by an appraisal acceptable to the City, is less than three times the amount of the proposed assessment. These guidelines do not apply: (a) if 50% or more of the cost of the project proposed to be funded is being funded from a governmental source other than special assessments or the proceeds of special assessment bonds (e.g., RTC); or (b) if the district is initiated by the provisional order method on recommendation of the Director of Public Works after consultation with the Department of Finance. These guidelines also do not apply to districts that were initiated by action of the City Council prior to the adoption of these guidelines.

The City Council reserves the right, on a case-by-case basis, to impose additional requirements or waive specific requirements listed herein. Such waived requirements shall be noted in the approval of any petition together with a finding that the deviation from this policy is in the best interest of the City. Additional requirements shall be noted in the approval.

The City will consider the impact of issuing bonds under these guidelines on its overall tax-supported debt ratios and bond ratings.

A. Eligible Improvements

1. Regional Improvements: The City will consider financing only regional infrastructure improvements i.e., regional improvements are those streets, storm drains, water systems, sewer and other utilities that will provide benefit to the entire new development project. Such improvements are those with respect to which the City Council has made a finding of regional benefit that benefit the general area in which the development is located as opposed to improvements that exclusively benefit a particular subdivision. (Only the portion of the total cost that benefits the special improvement district will be assessed). Thus, an arterial street or highway or major sewers, storm drains and water lines which provide benefit to the entire project and are found to be of general or regional benefit by the Council, would be considered for financing.

2. Public Ownership Requirement: Only publicly owned infrastructure is eligible for financing. Privately-owned improvements such as electric, gas, and cable television improvements, streets or roads which are not dedicated to the City, and private portions of other improvements, such as water and sewer service lines from the property lines to the home or other structure are not eligible for financing.

3. Benefit: The improvements proposed to be constructed must benefit the property assessed by an amount at least equal to the amount of the assessment. In addition, the property owner must identify to the City the amount of the expected benefit to the property owner (stated in a dollar amount) from using financing provided under these guidelines.

4. Subdivision Improvements: The City will not consider financing "subdivision" or "in-tract" improvements, that is, improvements within a subdivision that benefit only the land within a subdivision such as neighborhood streets.

5. Size: Generally, the City will not consider stand-alone assessment districts that involve less than $3,000,000 in bonds.

B. Environment Matters

1. A Phase 1 environmental assessment (hazardous waste assessment) on the property to be assessed, property on which the improvements are to be located and on any property to be dedicated to the City, must be provided by the property owner prior to the bonds being issued by the City. The property owner must also provide the City with an indemnification agreement in a form acceptable by and provided by the City, promising to indemnify the City against any and all liability and/or costs associated with any environmental hazards located on property assessed with respect to hazards that existed at the time the developer owned the property. With respect to abating environmental hazards that are located on property on which improvements financed with the assessment district are proposed to be located or on any property dedicated to the City, the City and the property owner will reach an accord before the bonds are issued. Where the Phase 1 assessment indicates that there may be an environmental hazard on any of the assessed property, the property owner will be required to abate the problem or to post security for environmental clean up costs prior to the City proceeding with the district. An environmental engineer acceptable to the City shall perform the environmental assessment.

2. The developer must undertake all steps required by the "Habitat Conservation Plan Compliance Report" or other future federal requirements in the project area and other areas owned by the same developer that are used in connection with the project.

C. Development

1. Property Owner Experience: The property owner must demonstrate to the City that it has the expertise to complete the new development that the assessment district will support. In order to demonstrate its ability to develop, the property owner should furnish the City with the following: (a) its last three years prior audited financial statements, (b) a list of prior development of similar or larger size which the property owner has completed, (c) a list of references consisting of the names of officials of other political subdivisions in which the property owner has completed similar or larger size developments, and (d) a description of any financial obligations on which the property owner or a related party has defaulted in the past ten (10) years, including any non-recourse or assessment financing on property owned by the property owner or a related party with respect to which a payment was not timely made. The City will accept, in place of financial statements stated in (a) above, a comfort letter from a mutually acceptable CPA firm indicating for the past three (3) years: (1) that a minimum level of net worth, acceptable to the City, has been maintained; (2) whether or not there have been any material adverse changes in operations; and, (3) whether or not there have been any exceptions in the accountant's opinion letter on the property owner's financial statements. If this alternative is utilized, the property owner shall also provide such other financial information as the City and its consultant's request.

2. Financing Completion: Equity: The property owner must provide the City with its plan for financing the new development to completion and advise the City of the amount of equity it has invested in the proposed development. Before bonds are issued the property owner must provide evidence of its ability (e.g., a commitment letter) and/or plan to finance the portion of the development expected to be completed in the ensuing 12 months.

3. Land Use: The proposed development must be consistent with the City's Comprehensive Plan. Proper zoning or other required land use approval must have been obtained for the development. The property owner must demonstrate that it reasonably expects to obtain the required development permits (e.g. subdivision recording and building permit) in sufficient time to proceed with the development to completion as proposed.

4. Water, Sewer, and Other Utilities: The property owner must provide "will serve" or similar letters from the entities providing utility (e.g., electricity, gas, telephone) services to the development stating that capacity is then in existence and reserved (or otherwise to be made available) for the portions of the development to be assessed in a sufficient quantity for the development to proceed to completion as proposed. Property owner must provide its plan for obtaining water and sewer for the new development.

5. Other Permits: The property owner must demonstrate that there are no significant permitting requirements (i.e. permitting requirements which could result in substantial delay or alteration in the project as proposed, e.g., wetlands permits, archeological permits, etc.) applicable to the project or other governmental impediments to development which have not yet been satisfied and which are required to be satisfied for the development to proceed to completion as proposed.

6. Absorption Study: The property owner must provide the City with funds with which to have an expert to prepare an absorption study. The City and property owners shall mutually agree upon the expert who is to prepare this study illustrating the economic feasibility of the new development based upon supply and demand trends and estimated conditions in the market area for the proposed product mix. If the appraiser of the real property for the project conducts his or her own absorption analysis, the absorption study may be accepted in lieu of this requirement.

D. Assessment Bonds and Bond Security

1. Primary Security: The primary security for bonds will be the assessment lien on the land proposed to be assessed. A preliminary title report indicating that the petitioners are the owners of all of the assessed property must accompany the petition. The City may also require ALTA title insurance in the amount equal to the bonds in appropriate situations.

2. Reserve Fund: A reserve fund in an amount equal to the lesser of one year's principal and interest on the bonds or 10% of the proceeds of the bonds must be funded at the time bonds are issued.

3. Appraisal Valuation: The property owner must obtain and provide to the City an appraisal of the property which will be assessed which in the case of the appraised value of each parcel to be assessed "as is" (prior to further subdivision and without considering the installation of the improvements) is at least equal to 1.15 times the proposed amount of the assessment against that parcel, and that the value of each parcel to be assessed after the improvements financed with the assessment bonds are installed is at least three (3) times the amount of the proposed amount of the assessment against that parcel. The appraiser must be acceptable to the City.

4. Additional Security: Unless the district is an "acquisition district" as described in paragraph G 1. below for which the developer is providing all construction financing, the property owner must guarantee payment of the bonds. The property owner also must demonstrate to the City that there is not significant financial risk to the City in issuing the bonds. Credit enhancement will be required if security for payment of the assessments is less than would be required by a prudent commercial lender in Nevada for a bank loan of similar magnitude or, at the option of the City, by a prudent institutional investor for an investment of similar magnitude. Credit enhancements may take the form of cash, letters of credit, surety bonds, insurance policies, or other collateral. Letters of credit from a bank with a rating less than A- are not acceptable.

A pro-rata portion of the foregoing additional security will be released with respect to any parcel assessed (1) which has been improved in any manner if the appraised value (as determined by an appraiser acceptable to the City) of the parcel is 5.0 or more times the amount of the unpaid assessment on such parcel, (2) on which a substantial improvement (e.g., a home or commercial building) has been completed if the parcel has a size of one acre or less, or (3) which is subdivided by a final recorded subdivision map to its final configuration of developable lots and for which all required infrastructure (water, sewer, streets, other utilities) has been installed or bonded in accordance with the City of Las Vegas Municipal Code.

5. Payment of Assessments: Capitalized Interest: The assessments shall be payable over not more than 20 years in substantially equal semiannual installments (excluding variable rate bonds with regard to equal payments) commencing within one year of the levy of assessments. If the City approves capitalized interest, it will allow not more than two years of interest or the maximum permitted under federal tax laws, whichever is less, to be capitalized.

6. Floating Rate Bonds: The City will consider applications for floating rate assessment bonds only if those bonds and the assessments underlying those bonds automatically convert to a fixed interest rate at or before the time the initial property owner sells property, regardless of whether the sale is wholesale sale to a merchant builder or a

developer or a sale to a potential homeowner. Floating rate bonds must be secured by a letter of credit issued by a bank acceptable to the City.

7. No Pledge of General Fund or Taxing Power: The City will not pledge its general fund or taxing power to bonds.

8. Bond Underwriting Commitment: The property owner must demonstrate to the City and its financial advisor that bonds proposed to be issued for the financing are saleable. The property owner must provide the City with a letter, accompanying the application, from a reputable underwriter or bond buyer (from the City's list of approved underwriters), which states that the underwriter has completed a due diligence review of the project and underwriter believes that the bonds are marketable at an interest rate acceptable to the property owner based on then prevailing market conditions and that it is willing, subject to reasonable conditions precedent, to contract with the City to underwrite the bonds on a best efforts basis, or that the bond buyer has completed a due diligence review of the project and the property owner and intend to acquire the bonds at an interest rate which the bond buyer and property owner agree is acceptable and that it is willing, to contract with the City to so acquire the bonds.

E. Consultants: The City will permit the property owner to choose the consulting engineers (from the City's list of approved firms) and underwriter (from the City's list of approved firms) provided that the entities chosen are acceptable to the City. The counsel for the underwriters may be selected by the underwriters after consultation with an opportunity to comment by the City. Underwriter's counsel's opinion must include the City as an addressee. The City will select the assessment engineer and project management engineer after receiving comments on its proposed selection from the developer. The City also will select its financial consultants, bond counsel and bond trustee. The payment of all fees and expenses of these consultants (selected by the City) shall be the responsibility of the property owner; however, these consultants will be responsible to, and will act as consultants to, the City in connection with the district.

F. Expenses: The property owner will be required to pay from its funds all of costs of the project prior to the time bonds are issued, including the costs of consulting engineers, assessment engineers, project management engineers, underwriters, the City's financial consultant, the City's bond counsel, the cost of preparing the appraisals, absorption study, environmental review and other matters listed above. These items will be eligible for reimbursement from bond proceeds if the bonds are ultimately issued; however, the property owner must agree to pay these costs even if bonds are not issued. At the time of application, the City will provide an estimate for these expenses in order to enable the developer to more precisely anticipate costs associated with the process.

G. Project Acquisition

1. The City intends to acquire completed improvements after final inspection by the City, an audit by the City assessment engineer and City staff, and acceptance by the City. Under this procedure (an "acquisition district") the City will only acquire discreet complete projects whose cost together with the cost of other complete discreet projects being acquired at the same time is $500,000 or more.

2. If special circumstances indicate that it would be beneficial to the City to provide progress payments (as demonstrated by the developer and approved by staff and the City Council), the City may expend bond proceeds through a City-established progress payment system on uncompleted projects utilizing a construction payment management system. If this alternative is used, performance and payment bonds from a bonding company acceptable to the City, each in an amount at least equal to 100% of the cost of the project, and otherwise in such form as is approved by the Department of Finance, Public Works, and the City Attorney must be provided to the City and must each indicate that

the City is a beneficiary of those bonds. Additional construction security, as determined appropriate by the Department of Finance, Public Works, and City Attorney, may be required.

H. Cost Overruns

I. The property owner must agree to fund all project costs that exceed the amount available from the proceeds of the bonds issued for the project. The City will not commit to issue additional bonds or otherwise provide funding for any such cost overruns.

I. Procedure

1. Pre-Application Meeting: Initially, the property owner shall schedule a meeting with representatives of the Department of Finance and the Department of Public Works to review the proposed improvement project to discuss whether the improvement project is one, which may be eligible for financing under these guidelines.

2. Application: If the property owner decides to proceed after the initial meeting, all owners of record of property in the proposed district must sign a petition for the district and file the petition and an application that contains sufficient information and exhibits to demonstrate that the proposed district will comply with parts A-H of these guidelines. (All persons who hold a lien or encumbrance against the property as of the date of presentation of the petition must sign the petition or a certificate acknowledging that they had received a copy of the petition.) A preliminary title report prepared by a title insurance company licensed in the state that shows the ownership of the property and liens and encumbrances against the property must accompany the petition. Copies of the petition and application must be filed with the office of the Director of Finance and the office of the Director of Public Works.

3. Council Approval: If after an initial review, the City staff believes the application satisfies parts A-H hereof; an item will be placed on the Council's agenda authorizing negotiations with respect to the proposed improvement project. If the Council approves this item, it is anticipated that staff will be authorized to begin negotiating the particulars of the financing with the property owner and other appropriate parties.

4. Security for Costs: Prior to entering negotiations, the property owner must post a letter of credit, surety bond, cash or other acceptable form of security for payment of the costs described in F above in an amount determined by the Director of Finance. The interest on the security will be paid to the developer. The City shall invest such security according to NRS 355 and 356.

LAS VEGAS, NEVADA
ECONOMIC DEVELOPMENT REVENUE BOND
POLICY AND GUIDELINES

The City of Las Vegas is authorized by the City Economic Development Revenue Bond Law, NRS ' 268.512 to 268.568, to issue and to request that the state issue economic development revenue bonds for the benefit of private entities for the purposes specified in the City Economic Development Revenue Bond Law. Generally, the City will proceed to issue or request issuance of those bonds only in accordance with the following policies and guidelines. (Note: The following pertains only to the issuance of bonds by the City and City requests to issue bonds. These do not relate to private activity bond volume cap. The City's procedure for allocating volume cap is contained in a separate policy statement, the current revision of the Private Activity Bond Volume Cap Allocation Policy and Guidelines.)

1. **Application**: The City will not take any steps toward issuing or requesting the issuance of bonds for or to a project until an official application in the form attached hereto (which must be used) for the bonds has been filed with the City's Finance Director. Three copies of the application must be prepared. One copy must be delivered by the applicant to the City's bond counsel, and two copies, accompanied by: (i) a nonrefundable application fee of $1,000.00 payable to the City of Las Vegas, Nevada, (ii) a $1,000.00 deposit for fees of City bond counsel payable to City of Las Vegas, Nevada, and (iii) a written commitment to pay any additional expenses of the City or its consultants incurred in connection with processing the application must be filed with the City Finance Director. Any portion of the deposit for fees of City bond counsel that is not used will be returned to the applicant. The application must be in the form of Exhibit A attached hereto and must be accompanied by the following:

A. Evidence that the project will serve one or more of the purposes set forth in NRS ' 268.524.

B. Evidence of the amount of money necessary to be provided from the bonds for the project.

C. A five-year operating history of the Beneficiary of the bonds. (If the 5-year operating history is unavailable, the City Council, on request, may consider waiving that requirement. Nevada Revised Statutes require that the State Board of Finance approve any such waiver).

D. Evidence that the Bonds will be rated by Moody's Investors Service, Inc. or Standard and Poor's Ratings Group in one of the top four rating categories (i.e., Standard and Poor's: AAA, AA, A, BBB; Moody's: Aaa, Aa, A, Baa).

E. Evidence (e.g., an annual report, audited financial statements, a feasibility study, etc.) that the Beneficiary has sufficient financial resources to place the project in operation and to continue its operation meeting the obligations of the lease, purchase contract or financing agreement entered into in connection with the bonds. If the bonds are for a housing project, the Beneficiary must provide the City with sufficient funds to retain a feasibility consultant selected by and responsible to the City to report on the feasibility of the project.

F. If a letter of credit, insurance, or other guarantee is to secure the bonds, the application should be accompanied by a letter from the issuer of the letter of credit or guarantee or its agent committing to issue the letter of credit or guarantee or listing the conditions that must be met before the letter of credit or guarantee is issued, or a letter including the date on which such a letter will be available.

G. A letter from an underwriter or other proposed buyer of the bonds indicating a commitment to underwrite or purchase the bonds, and in the case of a housing project, certifying that the bonds will not be sold to more than 10 investors, each of whom will certify that she or he has a net worth of $500,000 or more and is purchasing the bonds for investment and not for resale.

H. Evidence that all required governmental approvals for the project and the financing of the project has been obtained. All land use and zoning for the project must be in place.

The acceptance of an application by the City does not commit the City to issue bonds or otherwise proceed with the project or it's financing.

2. **Inducement Resolution**: After receipt of an application, the City will consider the adoption of an "inducement" or "reimbursement" resolution (i.e., a resolution intended to qualify as an "official intent" resolution for the purposes of §1.150-2 of the federal income rules governing tax-exempt bonds) if so requested by the beneficiary of a proposed issue of economic development revenue bonds (the "Beneficiary"). Passage of an inducement or reimbursement resolution does not constitute a commitment by the City to issue bonds, to allocate volume cap to a bond issue, to request that any other entity including the State allocate volume cap to a bond issue, or to take any other steps to facilitate the project. Passage of an inducement resolution does not constitute a City endorsement of the project or a finding of the City that the project is feasible or is in compliance with any laws or regulations, including land use, building or other regulations of the City or any other governmental entity. Requests for adoption of an inducement resolution should be delivered to the City Finance Director.

4. Taxable Bonds: The City will consider the issuance of or requesting the issuance of taxable economic development revenue bonds only if the following criteria are met:

   a. A complete application in accordance with Section 2 of this policy and guideline is received.
   b. The taxable bonds are being issued (i) with the expectation that those bonds will be refinanced or refunded with tax-exempt bonds subject to the volume cap, and at the time of issuance of the taxable bonds, it is expected by the City that volume cap in an amount at least equal to the amount of taxable bonds will be available for and, under the criteria of Section 3, will be allocated to the project within the next two calendar years; or (ii) for a project primarily financed with tax exempt bonds in order to pay costs that are not eligible for financing with tax exempt bonds. (e.g., costs of issuance in excess of 2% of the amount of tax-exempt bonds).

5. Bond Issuance: The City will not approve the issuance or a bond issue if the proceeds of the bonds are to be "escrowed" (or held under a similar arrangement) pending the resolution of an impediment to the expenditure of proceeds (e.g., a requirement that credit support be obtained or some other substantial condition be satisfied before the proceeds of the bonds can be applied to the project).

6. Procedural Matters

7. Documents: For the purpose of this guideline, instruments executed by the City, or any of its officials, are separated into three categories:

(i) Resolutions adopted by the City Council (herein "Resolutions"),

(ii) Indentures, Agreements, Contracts, Bonds, and other instruments which bind the City, the form of which is approved in any Resolution (herein "Agreements"), and

(iii) Certificates, Opinions and other closing documents that are not included in (i) and (ii) ("Other Documents"). The following procedures apply with respect to the review, distribution and execution of these types of instruments.

b. Resolutions

A. At least 3 weeks prior to the meeting of the City Council at which the Resolution will be considered, one draft copy of the Resolution must be delivered to each of the following for review and comment:

a. the City Director of Finance
b. the City Treasurer
c. the City Attorney
d. the City's Financial Consultant
e. the City's Bond Counsel

B. A final copy of each Resolution, suitable for adoption by the Board, must be distributed 2 weeks prior to the meeting of the Board at which the Resolution will be considered to:

a. the parties listed in (i) above, and
b. the City Clerk.

(i) Six (6) execution copies of each Resolution must be delivered to the City Clerk by 8:30 a.m. on the date the

Resolution is to be considered by the Board. (One signed execution copy will be retained by the City Council; the remaining five (5) signed copies will be brought to the pre-closing by a representative of the City.)

C. Agreements:

i. At least 3 weeks before the meeting at which a Resolution approving one or more Agreements is considered, one draft copy of those Agreements must be delivered to the following for review and comment:

(a) the parties listed in (B)(i) above.

ii. At least 2 business days before the meeting at which a Resolution approving one or more Agreements is considered, the substantially final form of the Agreements must be delivered to:

a. the parties listed in (B)(i) above, and
b. the City Clerk (for filing).

No substantial changes are permitted after this filing except that a filing of substitute pages to provide information unknown at the date of filing (e.g. interest rates) may be made by delivery of substitute pages to the City Clerk's office by 8:30 a.m. on the date of consideration of the Resolution.

iii. Six copies of the signature pages of each Agreement attached to a single copy of the final form of the Agreement should be delivered to the City's Treasurer at least 10 days prior to the pre-closing. A representative of the City will bring signed copies of these pages to the pre-closing.

D. Other Documents

i. At least two weeks before the pre-closing, all Other Documents which are to be signed by City or any of its officers must be delivered to the following for review and comment:

ii. The persons listed in (B)(i) above.

a. Six copies of the signature pages of each Other Document attached to a single copy of the final form of each Other Document should be delivered to the City Treasurer at least 10 days prior to the pre-closing. A representative of the City will bring signed copies of these pages to the pre-closing.

iii. Transcripts. At the bond closing, a complete final transcript of proceedings for the bond issue shall be provided by the Beneficiary to:

a. the City Clerk;

b. the City Treasurer

c. the City's financial consultant; and

d. the City's bond counsel.

The transcript provided to the City Clerk must contain original documents with original signatures; the other transcripts can be copies or originals.

E. Opinions: All opinions, certificates and reports which are delivered in connection with the issuance of the bonds by attorneys for any of the parties or others (including bond counsel, underwriter's counsel, company counsel, trustee's counsel, or any other attorney or any accountants or consultants) must include the City as an addressee who can rely on the opinion, certificate or report.

F. Rule 15c2-12: The City will not be responsible for compliance with Rule 15c2-12 of the Securities Exchange Commission or any amendment thereto (the "Rule") and will neither deem official statements or offering circulars to be "final" nor undertake to make any secondary market disclosures pursuant to the Rule. Compliance with the Rule in both disclosure for the initial offering and secondary market disclosure is the responsibility of the Beneficiary of the financing. The financing documents must state that the City does not have nor does it assume responsibility for the primary offering documents, for compliance with the secondary market disclosure requirements or for monitoring compliance with those requirements by the Beneficiary or any "obligated person" within the meaning of the Rule.

G. Location of Closings: All closings shall be held in the City unless, for good cause shown, the City Director of Finance approves closing at a different location.

7. Fees: At the time of closing of an issue of economic development revenue bonds that are issued by the City, the Beneficiary is required to pay the City's economic development revenue bond fee of the lesser of 1/10 of 1% of the principal amount of the bonds, or $50,000 per issue or series of bonds. In addition, the Beneficiary shall be responsible for the fees and expenses of the City's financial consultant and the City's bond counsel.

The Beneficiary shall be responsible for the application fee described in 2 above and the fees and expenses of the City's financial consultant and the City's bond counsel regardless of whether or not bonds are issued; however, the City's economic development revenue bond fee described in the immediately preceding paragraph shall be due and payable only if bonds are issued.

Any fee imposed by the State for a transfer of volume cap must be paid by the Beneficiary at the earlier of the time required by the State or at the closing for the bonds.

8. Waivers: The City may waive any of the requirements of these guidelines, which are not otherwise required by law, on application to the City finance Director accompanied by an explanation of the reasons for the waiver. Waivers will be granted only in unusual or extraordinary circumstances, which should be described in the application for a waiver. If the City Finance Director believes the reasons are sufficient, the request shall be forwarded to the City Council.

EXHIBIT A

APPLICATION FOR CITY OF LAS VEGAS, NEVADA ECONOMIC DEVELOPMENT REVENUE BONDS

A. Beneficiary Information: Name: ______________________________
Address: ______________________________
____
Telephone: ______________________________
Fax: ______________________________
Contact Person: ______________________________

Proposed Bond Counsel Name, Address, and Telephone: ______________________________
____
____
____

B. Name, address, telephone and fax for proposed underwriter: ______________________________
____
____

C. Brief Description of Project. Include address or other description of location, type of project (e.g., "multi-family housing", "manufacturing facility"), size of Project and other brief description of Project. If Project is multi-family housing, specify what percent of the units will be set-aside for individuals of low income:

D. Amount of Bonds proposed to be issued:$__________________;

E. Amount of Bonds proposed to be issued: $__________________;

F.* Please provide below or in an attachment, evidence that the Project will serve one or more of the purposes set forth in NRS 268.524:

G.* Please attach evidence (e.g., Project budget, construction contract) of the amount of money necessary to be provided from bonds for the Project.

H.* Does the Beneficiary or guarantor of the Bonds have a 5-year operating history? If "yes", please attach the 5-year operating history. If "no", State Board of Finance approval is required before bonds can be issued.

I. What rating do you anticipate all of the bonds will have (the City will only issue or request the issuance of bonds that are investment grade -- i.e., rated in the top four rating categories by Standard & Poor's or Moody's):________________. Is the rating based on the general credit of the

Beneficiary?_________________ If yes, does the Beneficiary currently have debt obligations outstanding secured by its credit, which are rated? ______ What is the rating?__________ It is anticipated that the Bonds will be rated based on the credit rating of an enterprise which guarantees the payment of principal and interest on the Bonds, please provide the name, address and telephone number of a contact person at that enterprise: _________________,_____, ________________, _________________ Telephone.____________ . Does that enterprise have outstanding obligations that are rated? __________. If "yes", what is that rating? __________.

Evidence (e.g., rating letters or press releases from, or excerpts from ratings books published by Standard & Poor's or Moody's) of the rating of the Beneficiary or other enterprise which will guarantee the payment of principal and interest on the Bonds should be attached to application if available; otherwise, attach a letter stating when the rating would be available. If rated by more than one agency, please attach a copy of rating materials from both agencies.

J. Please attach evidence (e.g., annual reports, audited financial statements, a feasibility study, commitment for a Letter of Credit, etc.) that the Beneficiary has sufficient financial resources to place the Project in operation and to continue its operation, meeting its obligations to pay the Bonds. For housing projects that will be financed with bonds issued by the City or with bonds that the City requests that the State issue, the Beneficiary must agree to provide the City with monies for the City to fund a feasibility study. If a Letter of Credit or other guarantee is to secure the Bonds, a commitment letter or a letter from the institution that will issue the letter of credit or guarantee the bonds which lists the conditions which must be met before the letter of credit or guarantee is issued should accompany the application; otherwise, attach a letter stating when the commitment letter will be available.

K. Please attach a letter from the underwriter or other proposed buyer of the Bonds indicating a commitment to underwrite or purchase the Bonds.

L. Are all necessary zoning and land use approvals for the project in place? _________. Are there any impediments to obtaining a building permit to commence construction of the Project? _____. If "yes", please explain. ____
____
____. Evidence (e.g., copies of permits and zoning approval resolutions) that all required governmental land use approvals (including any zoning or special use permit approvals) for the Project must be attached.

M. Is the Project located outside the City of Las Vegas? ______________________________. If "yes" please attach evidence that the governing body of the jurisdiction in which the project is located supports the project.

N. Briefly state the impact of the Project on the City's tax base.

O. Provide a brief description of the benefit to the City and its citizens from the Project.

P. Please provide a brief description of the effect of the Project on the City's environment and natural resources:

Enclosed are a non-refundable application fee of $1,000 payable to City of Las Vegas, Nevada, and a $1,000 deposit of fees for City Bond Counsel, payable to the City of Las Vegas, Nevada. The undersigned hereby commits to pay any additional expenses of the City and its consultants incurred in connection with processing the application.

The undersigned has reviewed the procedural requirements of the City's guidelines in Section 6 hereof and will furnish a copy of those requirements to all attorneys, accountants and consultants involved in the transaction. The undersigned hereby certifies that he or she has reviewed the foregoing application and the City's economic development revenue bond and volume cap policy and guidelines and to the best knowledge of the undersigned, this application complies with the requirements of those guidelines.

Dated this ____________ ___, ______

Beneficiary

____
By: _________________________________
Title: _______________________________